Understanding the CDBG Financial Summary (PR26) Report

When you select the CDBG Financial Summary Report, the parameter screen you see next is a list of line items (by line number as they will show up on the report) that *allow* input. The default report, without any adjustments, displays financial data as it is stored in the IDIS database. The Program Year and any adjustments displayed on this screen when you first see it during a session are the settings you used when you last ran the report. Depending on the circumstances, these settings may or may not be appropriate for this run. (For HQ and Field Office personnel, the settings will apply to the last grantee for which you ran the report.) We recommend that users run a default report before making adjustments on the C04MU18 report parameter screen. We also recommend that you do a print screen each time you run the report with adjustments so that you have an audit trail of prior runs.

Grantees may need to provide information for this report from sources other than IDIS.

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 08/22/01   11:36            CDBG FINANCIAL SUMMARY REPORT            C04MU18
 LINE#          PROGRAM YEAR:    2000

                                                     +/-    ADJUSTMENTS
 01. UNEXPENDED CDBG FUNDS AT END OF PREV REP PERIOD   +         100.00
 03. SURPLUS URBAN RENEWAL                             +          50.00
 04. SECTION 108 GUARANTEED LOAN FUNDS                 -          75.00
 07. ADJUSTMENT TO COMPUTE TOTAL AVAILABLE             -         125.00
 10. ADJUSTMENT TO COMPUTE TOTAL AMOUNT SUBJECT TO     +         150.00
     LOW/MOD BENEFIT
 14. ADJUSTMENT TO COMPUTE TOTAL EXPENDITURES          -          35.00
 17. EXPENDED FOR LOW/MOD HOUSING IN SPECIAL AREAS     +          25.00
 18. EXPENDED FOR LOW/MOD MULTI-UNIT HOUSING           +          25.00
 20. ADJUSTMENT TO COMPUTE TOTAL LOW/MOD CREDIT        -        1000.00
 23. PROGRAM YEARS(PY) COVERED IN CERTIFICATION  PY 1998   PY 1999   PY 2000
 24. CUMULATIVE NET EXP SUBJECT TO LOW/MOD BENEFIT CALC  +    12345678.00
 25. CUMULATIVE EXPENDITURES BENEFITTING LOW/MODPERSONS  +     3600000.00
 29. PS UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PY   +       54321.00
 30. ADJUSTMENT TO COMPUTE TOTAL PS OBLIGATIONS          -      101010.00
 34. ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PS CAP       -         500.00
 39. PA UNLIQUIDATED OBLIGATIONS AT END OF PREVIOUS PY   +     4567123.00
 40. ADJUSTMENT TO COMPUTE TOTAL PLNG ADMIN OBLIGATION   +     2121212.00
 44. ADJUSTMENT TO COMPUTE TOTAL SUBJECT TO PA CAP       -        1500.00
  DATA  SAVED
 F3 = VALDT  F7 = PREV   F9 = SAVE
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Please note that the column on the right side of the screen is labeled, "Adjustments," but some of the lines are, in fact, for inputting data that is not available in or calculated by IDIS for the Financial Summary at this time, while other lines allow the entry of data to adjust the amounts on the lines above them. For example, Line 4 - Section 108 Guaranteed Loan Funds, allows for the entry of Section 108 funds received during the program year, while Line 30 - Adjustment to Compute Total PS Obligations, allows for the input of an amount that may be needed to adjust the calculation of public service obligations. Also note that after you enter an "Adjustment" amount for a line, before tabbing to the next line, you must tap the "End" key to clear any number on the same line to the right of what you've just entered. Usually you will be clearing a "0.00".

Information on activities that would generally be included on Lines 17 and 18 of the report, as well as a list of activities included in the amount that will appear on Line 19, are generated by IDIS when the Financial Summary is run. Therefore, you should consider running the report without inputting any data (or only those amounts that are readily available) so that you will have the information the system will provide before completing all input/adjustment lines to obtain your final Financial Summary Report for the reporting period. It will also enable you to see all line items on the report.

To run the report, a year must be entered into the "Program Year" field on this screen. After typing in the appropriate year and any adjustments, press F9 to save the information; then press F7 to simultaneously return to the previous screen and submit the report.

The list generated for Line 19 may be several pages in length. It will list activities with a low/mod national objective and the disbursements for those activities, although it will exclude: low/mod activities in CDFI or Neighborhood Revitalization Strategy Areas, as described under Line 17, below; activities generally considered to be multi-unit housing activities, as discussed under Line 18, below; and planning/administration activities. The list does not total the disbursements for individual activities, but the total of all the disbursements on the list is the amount the system enters on Line 19.

The general format used for the Financial Summary in IDIS is the same as for the previous HUD 4949.3, with the exception of the additional lines that allow for the input of amounts to adjust for information not currently in or calculated by IDIS, but which is needed to provide a complete report. Guidance on what should be entered on these lines is provided below, but note that if you *need to enter a negative adjustment* on a line, you *must enter a minus sign* in front of the number when you enter it.

Line 1 - Unexpended CDBG Funds at end of Previous Report Period: enter the amount from line 16 of the prior program year's Financial Summary Report (CO4PR26).

Line 3 - Surplus Urban Renewal: enter the amount of any surplus federal urban renewal funds shown on form HUD-7082 executed under this grant during the reporting period. (This amount will generally be $0.)

Line 4 - Section 108 Guaranteed Loan Funds: enter the principal amount of loan proceeds received (actual cash received) by the Section 108 borrower during this reporting period for use in carrying out activities approved under the Sec. 108 guaranteed loan fund program. However, *do not* include amounts received in a previous reporting period. Those funds should be included in the unexpended amount from the prior report period on Line 1.

Line 7 - <u>Adjustment to Compute Total Available</u>: enter the sum of any adjustments to the amounts shown on Line 2 (Entitlement Grant); Line 5 (Program Income); and Line 6 (Returns). For example, program income received by the grantee or subrecipients during the program year that has *not* been recorded in IDIS should be included on Line 7. Also, if the grant amount entered on Line 2 does *not* include reallocated funds received during the program year, include the reallocated funds on this line.

Line 10 - <u>Adjustment to Compute Total Amount Subject to Low/Mod Benefit</u>: enter accrued expenditures (i.e., those not reflected in funds disbursed in IDIS) for all activities (*excluding* Planning/Administration activities - matrix codes 19A, 19B, 20, 21A-E, 21H and 21I - and Section 108 repayments - matrix codes 19F and 19G) as of the end of the reporting period *and* expenditures during the reporting period for activities not included in IDIS, e.g., Section 108 activities. If you include expenditures for activities not included in IDIS, prepare a list of those activities by name, showing the dollar amount expended for each during the reporting period. Include this list as an attachment to the Financial Summary.

Line 14 - <u>Adjustment to Compute Total Expenditures</u>: enter the total of accrued expenditures for planning and administration activities included on Line 12 (that is, those activities with matrix codes 19A, 19B, 20, 21A-E, 21H and 21I).

Line 17: <u>Expended for Low/Mod Housing in Special Areas</u>: for your use in determining the amount to report on this line, the Financial Summary will generate a list of all activities having the low/mod housing (LMH) national objective *and* identified as being located in a CDFI or HUD-approved Neighborhood Revitalization Strategy Area (NRSA). [NOTE: location in a CDFI or NRSA is recorded in IDIS on screen C04MC01 in the CDBG path. If a "C" or "S" is entered to "Indicate if the Activity is Located in a CDFI Area or Strategy Area", information on the area is maintained in an IDIS utility table.]

First, review the activities on this list and be sure that they are properly recorded as located in a CDFI or NRSA. If an activity is improperly shown as being in one of these areas, the information should be corrected on the C04MC01 and the Financial Summary re-run. After being corrected, the activity should no longer show up on this list; because it is an LMH activity, it will then be included under either Line 18, Expended for Low/Mod Multi-Unit Housing, or Line 19, Disbursed for Other Low/Mod Activities. If, because of time constraints, it is not possible to make the correction(s) and then re-run the report, you will need to exclude the activity from the amount you enter for this line and make an adjustment to include the expenditures on the proper line: if it is a multi-unit housing activity (generally matrix codes 14B, 14C, 14D and 16A), add it to the list generated for Line 18. If it is not a multi-unit housing activity, include the disbursements and accrued expenditures for the activity as part of the amount on Line 20, Adjustment to Compute Low/Mod Benefit. However, you should ensure that the information is subsequently corrected in the system.

Second, review the list of activities in CDFI/NRSAs and confirm that the national objective code of LMH is correct. (a) If the national objective code should be low/mod but not low/mod housing, a correction should be made on the C04MC01. If a correction is made and the Financial Summary re-run, the corrected activity will then be included in the list generated for Line 19, Disbursed for Other Low/Mod Activities. If the information cannot be corrected at this time, you will need to exclude the activity from the amount you enter for this line (Line 17) and make an adjustment to include the expenditures for the activity as part of the amount on Line 20, Adjustment to Compute Low/Mod Benefit. (Note - if the national objective is not LMH, including the activity on Line 18 is not an option.) (b) If the national objective code should *not* be low/mod, exclude the activity from Line 17. It will also be excluded from Lines 18 or 19. However, the national objective should subsequently be corrected in the system.

To determine the amount to enter on line 17:

If you have more than one CDFI or NRSA, separate the activities on the list (generated as part of the Financial Summary) by CDFI or Strategy Area. Then, follow step 2 thru step 9 for each area, as described below, totaling the amounts for all areas under step 10. If you have only one CDFI or NRSA, complete steps 2 thru 9 for the area and enter the amount of CDBG funds expended for these housing activities for this reporting period on Line 17.

For *each* CDFI Area or NRSA, calculate the total number of housing units assisted during the reporting period for all activities on the list within that area.

Identify the total number of those housing units occupied by low/mod households as of the end of the reporting period.

Divide the amount from step 3 by the amount from step 2 = percent occupied by low/mod households.

Identify the total cost for all of the housing units reported under step 2, including private, other public and CDBG funds.

Identify the total CDBG funds to be used for all of the housing units assisted.

Divide the amount from step 6 by the amount from step 5 = percent of total amount paid with CDBG.

If the percent from step 7 (percent paid with CDBG) is *less* than the percent from step 4 (percent of units occupied by low/mod households), no further calculation is needed for this CDFI or NRSA. However, if you have more than one CDFI or NRSA, make note of the amount of CDBG funds expended for these activities for use in step 10.

If the percent paid with CDBG (step 7) is *greater* than the percent of units occupied by low/mods (step 4), complete the following steps:

Multiply the percent from step 4 (percent occupied by low/mod households) times the amount from step 5 (total project cost).

Divide the product from (A) by the amount of CDBG funds to be used for these activities (from step 6).

Multiply the quotient from (B) by the CDBG funds expended (cash disbursed and any accrued expenditures) for these activities during the reporting period. The product is the amount counted for this area for the low/mod benefit calculation.

If you have more than one CDFI or NRSA, make note of the product obtained in (C) and repeat steps 2 - 9 for each remaining area. If you have only one CDFI or NRSA, enter the product obtained from (C) on line 17.

If you have more than one CDFI or NRSA, total the amounts obtained from completing steps 8 and/or 9(D) for each area and enter the sum on Line 17.

Line 18 - Expended for Low/Mod Multi-Unit Housing: to determine the amount for this line, you will need to identify all low/mod multi-unit activities that are not in a CDFI or NRSA. To help you do this, the Financial Summary will generate a separate list of activities in IDIS with the LMH national objective and matrix codes 14B (Rehab., Multi-Unit Residential); 14C (Public Housing Modernization); 14D (Rehab., Other Publicly Owned Residential Buildings); and 16A (Residential Historic Preservation). The activities on this list either are, or most likely are, multi-unit housing activities that are *not* located in a CDFI or NRSA.

To determine the amount to enter on Line 18:

Review the activities on the list for this line and determine if all are, in fact, multi-unit activities. The amount expended for any activity(ies) determined to not be multi-unit housing should be excluded from Line 18 and included as part of the amount entered on Line 20.

Also, review the list of activities for Line 19. If any activity on the Line 19 list is actually a multi-unit housing activity, it should be included in the calculation at step 3, below, *and* a negative adjustment made (using a minus sign) on Line 20 to compensate for removing it from Line 19.

For *each* activity that *is* a multi-unit housing activity, complete the following steps:

Identify the total number of units in the activity.

Identify the total number of units that are to be occupied by low/mod households.

Divide (B) by (A) = percent occupied by low/mod households.

Identify the total cost of the activity, including private, other public and CDBG funds.

Identify the total CDBG funds to be used for the activity.

Divide (E) by (D) = percent of total paid with CDBG.

If the percent paid with CDBG (F) is *less* than the percent of units occupied by low/mod households (C), no further calculation is needed for this activity. Make note of the amount of CDBG funds expended for this activity during the reporting period; it will be used in step (I) below.

If the percent paid with CDBG (F) is *greater* that the percent of units occupied by low/mod households (C), complete the following steps:

Multiply the percent occupied by low/mod households (C) by the total project cost (D).

Divide the product from (i) by the amount of CDBG funds to be used for this activity (E).

Multiply the quotient from (ii) by the CDBG funds expended for this activity during the reporting period. The product is the amount credited for this activity for the low/mod benefit calculation.

Make note of the product obtained from (iii) for use in step (I).

After completing the above steps, as appropriate, for each multi-unit housing activity, total the amounts from (G) and (H)(iv), and enter the sum on Line 18.

Line 20 - <u>Adjustment to Compute Total Low/Mod Credit</u>: enter on this line the total of: any amount(s) from step 1 under Line 18 above (amounts expended for any activity(ies) that are not multi-unit housing); accrued expenditures for activities included in Line 19 (see Note below); any negative adjustment for activities the system included on line 19 of the report, but you have "moved" and reported under line 17 or 18; and expenditures made during the reporting period for 108 activities meeting a low/mod national objective. (Note: as previously mentioned, a list will be generated by the system that will show the amount of CDBG funds disbursed during the reporting period for each activity included on Line 19 of the report. This list should be used to identify activities for which expenditures should be accrued and included in the total adjustment figure entered on Line 20.)

Part III of the Financial Summary contains a new section for Low/Mod Benefit for Multi-Year Certifications on lines 23-26. Calculations are based on information the grantee enters on lines 23, 24, and 25 of the parameter screen.

Line 23 -<u>Program Years Covered in Certification:</u> enter the two or three years covered in the certification. One of the years must be the Program Year of the report.

Line 24 – <u>Cumulative Net Expenditures Subject To Low/Mod Benefit Calculation</u>: enter the total of net expenditures subject to the low/mod benefit calculation (i.e., total expenditures for all activities minus expenditures for planning and administration) for the certification period.

Line 25 – <u>Cumulative Expenditures Benefiting Low/Mod Persons:</u> enter the total of expenditures for activities with a low/mod national objective for the certification period.

Line 29 - <u>Public Service (PS) Unliquidated Obligations at End of Previous Program year (PY)</u>: Enter the total amount of unliquidated obligations for all public service activities reported at the end of the previous reporting period.

Line 30 - <u>Adjustment to Compute Total PS Obligations</u>: Enter accrued expenditures for public service activities (those activities with matrix codes 03T and any 05) included on Line 27 as of the end of the reporting period. (Note: this is a different amount than what may be entered as unliquidated obligations for each PS activity on the C04MC01 in the CDBG path. Unliquidated obligations represent those obligations for which an expenditure has not been reported on Lines 27 or 30 for this reporting period.)

Line 34 - <u>Adjustment to Compute Total Subject to PS Cap</u>: enter any adjustments that need to be made to Lines 32 and 33. Examples: Line 32, Entitlement Grant, should be reviewed to determine whether reallocated funds received during the reporting period are included; if not, add them to the amount entered on this line. Line 33, Prior Year Program Income, is generated by IDIS, but will *not* include program income that was not receipted to IDIS during the prior year, nor will it include program income retained by subrecipients that was not receipted to IDIS as of the end of the prior reporting period. Such amounts should be included on this line.

Line 39 - <u>Planning and Administration (PA) Unliquidated Obligations at End of Previous PY</u>: Enter the total amount of unliquidated obligations for all planning and administration activities (activities with a matrix code of 19A, 19B, 20 and 21A-E, 21H and 21I) reported at the end of the previous reporting period.

Line 40 - <u>Adjustment to Compute Total Planning Admin Obligation</u>: Enter accrued expenditures for planning and administration activities (activities with a matrix code of 19A, 19B, 20 and 21A-E, 21H and 21I) included on line 37 as of the end of the reporting period. (Note: this is a different amount than what may be entered as unliquidated obligations for each PA activity on the C04MC01 in the CDBG path. Unliquidated obligations represent those obligations for which an expenditure has not been reported on Lines 37 or 40 this report period.)

Line 44 - <u>Adjustment to Compute Total Subject to PA Cap</u>: enter the total of any adjustments that need to be made to Lines 42 and 43. Line 42, Entitlement Grant, should be reviewed to determine whether reallocated funds received during the reporting period are included; if not, they should be included on this line. Line 43, Current Year Program Income, is generated by IDIS but will not include program income that was not receipted to IDIS during the reporting period, nor will it include program income retained by subrecipients that has not been receipted to IDIS during the current reporting period.